

**59. Resident Agent Requirements; Countersignature.**

(1) No authorized insurer shall issue a policy covering a subject of insurance resident, located, or to be performed in Maryland unless the policy is written through a licensed agent resident in Maryland, nor unless the policy or countersignature endorsement attached thereto is countersigned by such agent; provided that when two or more insurers issue a single policy of insurance the policy may be countersigned on behalf of all insurers appearing thereon by a licensed agent, resident in this State, of any one such insurer.

(2) As to commissions payable to a resident agent on any policy or endorsement thereto issued to cover a subject of insurance resident, located or to be performed in Maryland, when by the laws of another state the commissions or compensation thereon is required to be paid to a resident agent upon policies or endorsements thereto which are solicited or procured by non-resident agents or brokers, then the law of the other state shall be applied in Maryland, and the commission or compensation upon any similar transaction solicited or procured by an agent or broker resident in such state shall be paid to a licensed agent who is resident in Maryland; and if, pursuant to the laws of another state, an agent resident in such state retains a stipulated percentage or amount of the commission or compensation on business placed in such state by agents or brokers of Maryland, then the agent resident in this State shall retain the same percentage or amount of commission as would be required had an agent or broker, resident in Maryland, placed similar insurance in the other state.

(3) Only a licensed agent resident in Maryland, whose compensation is by commission computed as a percentage of the premium received on each such policy written shall have power to countersign policies or endorsements subject to the requirements of this section; except that in an emergency, in lieu of countersignature by such agent, such policy or endorsement may be countersigned by the insurer's executive officer, general agent, state agent, special agent, or other supervising agent or officer, provided the usual commission on such policy is paid by the insurer to a licensed resident agent.

(4) This section shall not apply to:

(i) Reinsurance.

(ii) Life insurance, health insurance or annuity contracts.

(iii) Insurance of the rolling stock, vessels or aircraft of any common carrier in interstate or foreign commerce, or of any vehicle principally garaged and used in another state, or covering any liability or other risks incident to the ownership, maintenance or operation thereof.

(iv) Insurance of property in course of transportation interstate or in foreign trade, or any liability or risk incident thereto.

(v) Insurance of wet marine and transportation risks.

(vi) Bid bonds issued in connection with any public or private contracts.

(vii) Policies or endorsements issued through agents compensated only by salary or issued by insurers not using agents in the general solicitation of business; or to policies or endorsements issued by mutual or any other insurers not customarily using agents compensated